

## **TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**PREPARED BY:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**SUBJECT:** Funding Source for Mobile Home Task Force Final Report and Recommendations for Relocation Assistance

**AFFECTED DISTRICT:** Town wide

**ITEM REQUEST:** **Schedule for Council Meeting**

**TITLE OF AGENDA ITEM:** Funding Source for Mobile Home Task Force Final Report and Recommendations for Relocation Assistance

**REPORT IN BRIEF:** At the December 3, 2008 Council Meeting, item 8.2 Mobile Home Task Force Final Report and Recommendations for Relocation Assistance for Residents of the Palma Nova Mobile Home Park was discussed. During its discussion, Council directed staff to identify a funding source for recommendations in the Mobile Home Task Force Final Report. Two specific funding sources that were discussed were Community Endowment and General Fund Reserves. Staff has researched the current funding status of both options and has determined the following:

1. Community Endowment – The estimated current balance for reserves in the Community Endowment Fund is \$1.1 million. It should be noted, however, that if this source is approved and the appropriated funds are expended, the Community Endowment Fund will essentially have a \$0 balance and will not be available for community donations or other projects in the future.

2. General Fund Reserves – The estimated General Fund undesignated, unreserved fund balance as of September 30, 2008 is \$28.7 million. However, for this discussion we respectfully request to reduce the above balance by \$8.2 million due to the current economic conditions and due to future Town plans. The anticipated impact of the current economic conditions and future Town plans are as follows:

a. \$1,200,000 – in FY 2009, there are already two known loss of revenue sources: Highway Cost Recovery Fees of \$690,000 and State Shared Revenue has been reduced by the State by \$630,000

b. \$4,000,000 – this is estimated to be used towards a new Town Hall (along with other funding sources)

c. \$3,000,000 – this is estimated to be used for FY 2010 Capital Projects Plan (i.e. – roads, buildings, parks, . . .).

The final estimated General Fund undesignated, unreserved fund balance, taking into consideration the above factors, is \$20.5 million.

Staff does not recommend using General Fund undesignated, unreserved fund balance for two reasons:

1. The economy is very unstable and we may continue to lose revenue for this year and future years. This may require the Town to consider using portions of this reserve.

2. Town Council approved Resolution R-2005-177, which requires the Town to establish the level of available undesignated, unreserved General Fund Balance to be 25% of General Fund operating revenues. For FY 2009, the established level would be 25% of \$92 million which is \$23 million. The Town estimates that the current General Fund undesignated, unreserved fund balance is \$20.5 (taking into consideration the items discussed above), which is less than the 25% required under Resolution R-2005-177.

**PREVIOUS ACTIONS:** Town Council previously discussed at the December 3, 2008 meeting.

**CONCURRENCES:**

**FISCAL IMPACT:** Yes

Has request been budgeted? No

If Town Council elects to use any of the above funding source options, this could limit the options available to future Town Councils for similar or other purposes.

**RECOMMENDATION(S):** Staff recommends the use of Community Endowment funds for whatever portion of the request the Town Council supports funding.

**Attachment(s):**